

# **Simplified Sales Prospectus.** **DekaLux-MidCap**

An Investment Fund under Part I of the Luxembourg Law  
of 20 December 2002 on Undertakings for Collective Investment.

Issued April 2010

**..Deka**  
Investmentfonds



Deka International S.A.

 Finanzgruppe

## Short description of the Fund and investment information

<b>DekaLux-MidCap</b>	
<b>Fund established on</b>	13 December 1996, in the Grand Duchy of Luxembourg as a mutual fund ( <i>fonds commun de placement</i> - FCP)
<b>Date of first issue</b>	
Unit class TF (A)	3 March 1997
Unit class TF (T)	1 October 2006
Unit class F (T)	29 February 2008
<b>Initial issuing price</b>	
Unit class TF (A)	EUR 33.23
Unit class TF (T)	EUR 100.00
Unit class F (T)	EUR 103.75 (includes sales commission)
<b>Term of the Fund</b>	unlimited
<b>ISIN/WKN</b>	
Unit class TF (A)	LU0075131606/986354
Unit class TF (T)	LU0265741370/DK0EBP
Unit class F (T)	LU0342006888/DK1A3G
<b>Management Company</b>	Deka International S.A. 5, rue des Labours L-1912 Luxembourg
<b>Custodian Bank</b>	DekaBank Deutsche Girozentrale Luxembourg S.A. 38, avenue John F. Kennedy L-1855 Luxembourg
<b>Auditor</b>	PricewaterhouseCoopers S.à.r.l. Réviseur d'Entreprises 400, route d'Esch L-1471 Luxembourg
<b>Promoter</b>	DekaBank Deutsche Girozentrale Mainzer Landstraße 16 D-60325 Frankfurt

This Simplified Sales Prospectus is only valid in combination with the latest authorised Detailed Sales Prospectus and the Annual Report of the Fund, and no more than 16 months may have passed since the reporting date of the Annual Report. If more than eight months have passed since the reporting date of the Annual Report, the purchaser must also be offered the latest Semi-Annual Report of the Fund. Both reports form part of the Simplified and Detailed Sales Prospectuses.

### Investment objective

The main objective of the investment policy is to participate in the performance of small and medium-sized companies in Europe.

### Investment strategy

The assets of the Fund will be invested primarily (more than two thirds of the securities portfolio) in shares of companies with registered offices in European countries that did not belong to the one hundred largest European companies as measured by market capitalisation (total share capital valued using the stock exchange price) at the end of the previous calendar year.

The securities-related techniques and instruments employed in connection with Article 5 paragraph 1 letter g) of the Basic Regulation will also be engaged in for purposes other than hedging and include, among other things, options, financial futures contracts, swaps, foreign exchange futures contracts

# Investment information

and combinations of these. Supplementary to Article 9 paragraph 1 of the Basic Regulation, the Fund may lend and borrow securities within a standardised system organised by a recognised clearing institution or a top-rated financial institution specialising in such transactions, or within the framework of a standard master agreement.

The Management Company shall only enter into the above transactions with counterparties that are first-class financial institutions specialising in such transactions and the creditworthiness of which is categorised as "investment grade" by a recognised rating agency.

Up to 10% of the net assets of the Fund may be invested in the units and shares of undertakings for

collective investment as set out in Article 5 paragraph 1 letter e) of the Basic Regulation.

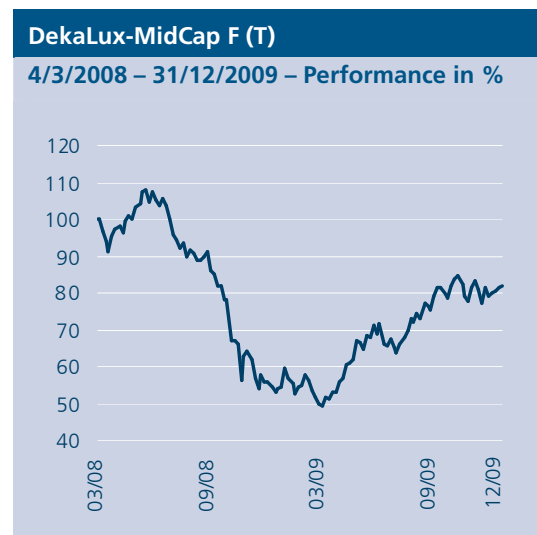
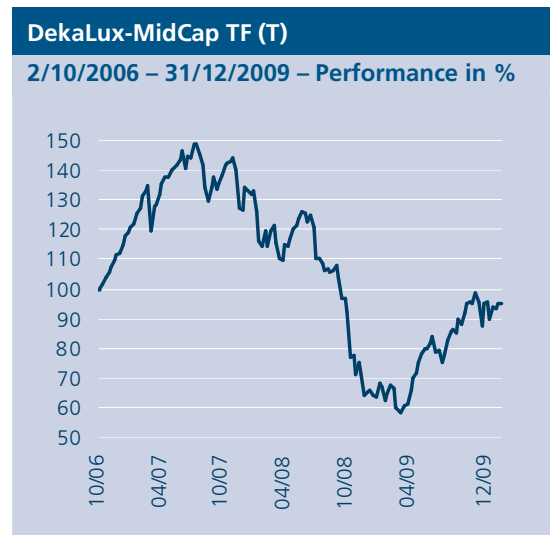
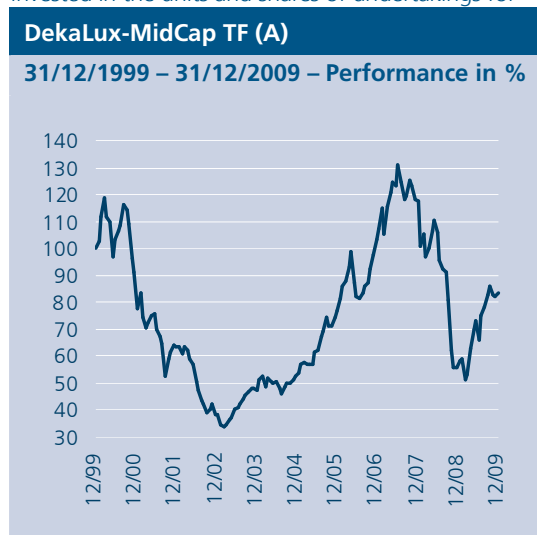
Bank balances as set out in Article 5 paragraph 1 letter f) of the Basic Regulation and liquid assets as set out in Article 5 paragraph 3 of the Basic Regulation may also be held.

No interest-bearing securities may be acquired.

For the purpose of efficient management of Fund assets, options and financial futures contracts, swaps, foreign exchange futures contracts and combinations of these may be bought and sold when executing techniques and instruments relating to transferable securities or money market instruments.

## Performance

(calculated using redemption prices, with distributions reinvested at the redemption price)



Past performance is no indicator of future performance.

## Investment information

An option is the right to buy ("call" option) or sell ("put" option) a certain asset on a predetermined date ("exercise date") at a predetermined price ("strike price"). The price of a call or put option is the option "premium".

Financial futures contracts are bilateral agreements that entitle or require the contracting parties to deliver or take delivery of a certain asset on a predetermined date and at a predetermined price, where only a fraction of the associated contract size ("margin") needs to be paid immediately.

The Fund shall ensure that its global exposure relating to derivative instruments does not exceed the total net value of its portfolio. The exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, foreseeable market fluctuations and the time available to liquidate the positions.

The Management Company will primarily commission the Custodian Bank, whose subsidiary it is, to handle transactions for the account of the Fund.

### **Risk profile of the Fund and general risk information**

Units of the Fund are transferable securities whose price is determined by daily stock exchange price changes of the assets contained in the Fund and may, therefore, rise or fall.

The purchase and sale of options is associated with specific risks. The premium paid to purchase a call or put option can be lost if the price of the underlying security of the option does not change as expected.

The leverage effect of options can result in a greater effect on the asset value of the Fund than would be the case if the underlying securities were purchased directly.

Financial and foreign exchange futures contracts are associated with considerable opportunities, but also risks, because only a fraction of the contract size ("margin") must be paid immediately. A price swing in either direction for the instrument underlying the futures contract can lead to substantial gains or losses relative to the margin paid. In this regard, futures contracts exhibit high volatility.

The performance fee could induce the Management Company to select more speculative investments for the assets of the Fund than would be the case if a performance fee were not paid.

**There is therefore no guarantee that the investment policy objectives can be achieved.**

### **Investor profile**

The units of the Fund are intended primarily for portfolio optimisation. They are particularly suitable for investors with a high level of risk-tolerance and securities experience with respect to the price risks discussed above, and a medium- to long-term investment horizon.

### **Tax considerations**

The assets of the Fund are only subject to an annual tax of 0.05% (*taxe d'abonnement*) in the Grand Duchy of Luxembourg on the net value of fund assets not invested in Luxembourg investment funds subject to the *taxe d'abonnement*. Income from the units is taxed in accordance with the national tax regulations applicable to the unit holder.

As of 1 July 2005, the EU Savings Tax Directive has applied to interest payments made to recipients resident in other EU states. If a foreign private investor holds units of a distributing fund that invests more than 15% in interest-bearing securities according to the provisions of the EU Savings Tax Directive in safekeeping in a securities account at a financial institution whose registered office is in Luxembourg, the interest portion of any unit distribution is subject to Article 6 of the EU Savings Tax Directive and may be taxed.

If a distributing or reinvesting fund invests more than 40% (more than 25% starting 1 January 2011) in interest-bearing securities according to the provisions of the EU Savings Tax Directive, the interest portion is subject to taxation when the units are redeemed or sold.

The tax rate is 15% starting 1 July 2005, 20% starting 1 July 2008 and 35% starting 1 July 2011.

Alternatively, the private investor has the option of

## Economic information

avoiding tax withholding by authorising the Luxembourg financial institution to make a voluntary disclosure of his interest income, thereby allowing the financial institution to report the income to the legally specified revenue authorities instead of withholding taxes.

Potential investors are advised to consult with their legal, tax or financial advisers concerning the corresponding legal requirements, currency regulations and taxes under the laws of their country of citizenship, normal residence, or registered residence, which could have an effect on the purchase, ownership, sale or other disposal of units, and concerning the tax treatment of income.

Further information for unit holders subject to income tax or corporate income tax in Germany is provided in section IV "Synopsis of German tax regulations" of the Detailed Sales Prospectus.

### Sales commission

For unit class F (T), up to 5.26% (currently 3.75%) of the unit value charged for the benefit of the sales offices. Units in unit classes TF (A) and TF (T) are issued at their unit value with no sales commission.

The issue and redemption prices may be increased or decreased by fees or other charges incurred in the country of distribution.

### Fees and other costs

The Management Company receives a fee for central administration and investment management of up to 2.00% p.a. (currently 1.50% p.a. for unit classes TF (A) and TF (T) and 2.00% p.a. for unit class F (T)) of the net assets of the Fund.

The Management Company may receive a distribution commission of up to 1.50% p.a. (currently 0.72% p.a.) of the net assets of the Fund attributable to unit classes TF (A) and TF (T) for the benefit of the sales offices.

The Management Company may receive a performance fee, calculated on a daily basis, for managing the Fund assets attributable to the units in unit classes TF (A) and TF (T), provided that the performance of the Fund before costs (management fee, distribution commission and lump-sum fee)

exceeds the performance of a benchmark index. The Dow Jones STOXX TMI Growth Mid Index (net total return in euro) is used as the benchmark index. The performance fee equals 25.00% of the outperformance, and also applies when the benchmark index and unit value have negative performance, as long as the unit value exceeds the benchmark index. In the determination of management performance for the calculation of the performance fee, the index and Fund values are determined so that they correspond as closely as possible in terms of time. The respective financial year of the Fund is used as the calculation period. Any outperformance or underperformance of the Fund is not carried forward. The performance fee existing at and deferred to the end of the financial year can be taken from the assets of the Fund. The Management Company is at liberty to charge a lower fee. If one or all of the reference indices are cancelled, the Management Company will specify another comparable index or indices to take the place of the indices that were cancelled.

The Management Company receives up to half of the income from securities loan transactions, securities sales and repurchase agreements and permissible transactions equivalent to these executed for the account of the Fund as a lump-sum fee for the initiation, preparation and performance of these transactions.

The Management Company receives an annual lump-sum fee from the Fund of up to 0.40% (currently 0.30%), calculated based on the average net assets of the Fund during the month in question and paid monthly in arrears. Daily values are used for the calculation. The following fees and expenses are included in the lump-sum fee, and are not charged separately against the Fund:

- Custodian Bank fee;
- the expenses indicated in Article 16 paragraph 1 letters b) to i) of the Basic Regulation;
- expenses that may arise in connection with the use of a benchmark index;
- costs and expenses that the Custodian Bank incurs as a result of permissible and normal market delegation of the safekeeping of assets of the Fund to third parties under Article 4 paragraph 3 of the Basic Regulation.

## The purchase and sale of units and additional information

The Fund pays the Custodian Bank a normal bank processing fee for transactions performed for the account of the Fund.

The Fund also pays the expenses specified in Article 16 paragraph 1 letters a) and j) of the Basic Regulation.

### Total Expense Ratio (TER)

Calculation:

$$\text{TER} = \frac{\text{TE}}{\text{A}} \times 100$$

Explanation:

TER: Total Expense Ratio as a percentage.

TE: Total expenses (nominal, all expenses except for transaction costs), in the Fund currency, that were actually charged to the unit classes during the reference period.

A: Average daily value of the net assets of the unit classes during the reference period.

The total expense ratio of the Fund for the financial year ended 30 September 2009 was 2.43% plus a performance fee of 1.79% for unit class TF (A), 2.40% plus a performance fee of 1.91% for unit class TF (T), and 2.20% for unit class F (T).

### Purchase, redemption and exchange of units

Units in all unit classes of the Fund can be purchased and redeemed from the Management Company, Custodian Bank and payment agents.

The units in all unit classes are certificated by global certificates. Units that were certificated and issued by the Management Company before 1 October 2006 in the form of global certificates with the designation "DekaLux-MidCap TF" continue to exist in this form and retain their validity. They are assigned to the new unit class TF (A). Units that were certificated and issued by the Management Company before 29 February 2008 in the form of global certificates with the designation "DekaLux-MidCap TF A" continue to exist and retain their validity. They are assigned to unit class TF (A) as of 29 February 2008. Units that were

certificated and issued by the Management Company before 29 February 2008 in the form of global certificates with the designation "DekaLux-MidCap TF T" continue to exist and retain their validity. They are assigned to unit class TF (T) as of 29 February 2008. Unit holders are not entitled to receive delivery of physical securities. Units may only be purchased if they are held in a securities account. The Custodian Bank and the Promoter offer securities accounts for the units which allow payments to be made periodically into and out of the account.

Orders that the Management Company receives by 12:00 p.m. (midday) (Luxembourg time) on a day that is a dealing day in both Luxembourg and Frankfurt am Main ("valuation date") are settled at the issue or redemption price calculated on this valuation date. Orders that are received after 12:00 p.m. (midday) (Luxembourg time) are settled based on the price on the following valuation date. The Fund currency is the euro. As a rule, no valuation is performed on dealing days that are statutory holidays at one of the above locations, or on 24 and 31 December.

There is no time limit on the issue of units. At its sole discretion, the Management Company may reject a buy order (e.g. if there is a suspicion of market timing by the investor) or temporarily restrict, suspend, or permanently discontinue the issue of units, provided this is considered necessary in the interest of the unit holders as a whole, for the protection of the Management Company, for the protection of the Fund, in the interest of the investment policy, or if the specific investment objectives of the Fund are endangered.

Units of one unit class cannot be exchanged for units of another unit class of the Fund.

### Payment Agent in Germany

All payments to investors (redemption proceeds, any distributions and other payments) can be channelled through the German Payment Agent.

DekaBank Deutsche Girozentrale  
Mainzer Landstraße 16  
D-60325 Frankfurt

## Additional information

### Utilisation of earnings

Provision has been made for an annual earnings distribution for the units in unit class TF (A), which shall be performed around 20 November.

The net income, capital gains and other non-recurring income for units in unit classes TF (T) and F (T) are capitalised and reinvested in the Fund.

### Publication of prices and any notices to investors

Information on the issue and redemption prices for each valuation date and any notices to investors are available from the Management Company and information agents.

The issue and redemption prices are made available on each valuation date for investors in Germany on the Internet at [www.deka.de](http://www.deka.de). Other information intended for investors is published in the *Börsen-Zeitung* newspaper, which is published in Frankfurt am Main.

### Selling restrictions

Due to restrictions imposed under US supervisory regulations, the units being offered in this Sales Prospectus are not intended for distribution in the United States of America (this term also includes the states, territories and possessions of the United States and the District of Columbia) or for the benefit of US persons as defined in Regulation S of the Securities Act of 1933 as amended. US persons are natural persons residing in the United States of America. The term US person also includes legal persons established in accordance with the laws of the United States of America.

Units are accordingly not being offered or sold in the United States of America or for the accounts of US persons. Subsequent transfers of units to the United States of America or to US persons are not permitted.

This Sales Prospectus may not be disseminated in the United States of America or to US persons. Distribution of this Sales Prospectus and the offer or sale of units may also be subject to restrictions in other legal systems.

### Information Agent

The Detailed Sales Prospectus, including the Management Regulation, the Simplified Sales Prospectus, the latest Annual Report and (if applicable) the most recent Semi-Annual Report are available at any time and free of charge from the Management Company, the Custodian Bank, the Information Agent and on the Internet at [www.deka.de](http://www.deka.de).

- in Germany  
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Mainzer Landstraße 16  
D-60325 Frankfurt
- Payment and Information Agent in Austria  
Vorarlberger Landes- und Hypothekenbank  
Aktiengesellschaft  
Hypo-Passage 1  
A-6900 Bregenz  
Austria

### Point of contact for further information

Please call Deka International S.A. at (+352) 34 09 39 or DekaBank Deutsche Girozentrale at +49 (0) 69 71 47 65 2 from Monday to Friday between 8:00 a.m. and 6:00 p.m.

### Competent supervisory authority

Commission de Surveillance du Secteur Financier  
110, route d'Arlon  
L-2991 Luxembourg  
[www.cssf.lu](http://www.cssf.lu)



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